

STATE OF CALIFORNIA  
**Budget Change Proposal - Cover Sheet**  
DF-46 (REV 05/11)

Fiscal Year 2012/13	BCP No. 1	Org. Code 1730	Department Franchise Tax Board	Priority No. 1
Program Tax Programs			Element All Tax Programs	Component

Proposal Title  
Enterprise Data to Revenue Project

Proposal Summary

The Franchise Tax Board (FTB) is requesting \$96.5 million and 56 permanent, 102 temporary help and 7 limited term positions in FY 2012/13 to continue implementation of the Enterprise Data to Revenue (EDR) project. This request includes position authority for 45 permanent and 7 limited term positions from the FY 2011/12 EDR Spring Finance Letter. The 2011/12 Budget Act approved the funding but no position authority for these positions. As a result, only position authority is needed for these positions. The proposal also includes a placeholder for the project's FY 2013/14 needs which includes 176 positions (164.1 PYs) and \$150.9 million (\$133.3 million is the anticipated Prime Solution Provider (PSP) payment). Revenue generated from the EDR project is anticipated to be \$150.7 million in General Fund revenue for FY 2012/13, increasing to \$250.1 million for FY 2013/14. The EDR project is a five-year IT project that will modernize FTB's processes and systems (projected 7:1 CBR) and will generate \$4.7 billion in revenue for the State over the life of the project.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed
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Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
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For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the California Technology Agency, or previously by the Department of Finance.

☐ FSR      ☒ SPR      Project No. 1730-191      Date: 3/24/11

If proposal affects another department, does other department concur with proposal?    ☐ Yes    ☐ No  
*Attach comments of affected department, signed and dated by the department director or designee.*

Prepared By	Date	Reviewed By	Date
Department Director	Date	Agency Secretary	Date

**Department of Finance Use Only**

Additional Review: ☐ Capital Outlay    ☐ ITCU    ☐ FSCU    ☐ OSAE    ☐ CALSTARS    ☐ Technology Agency

BCP Type:      ☐ Policy      ☐ Workload Budget per Government Code 13308.05

PPBA      Date submitted to the Legislature

# Pending Board Approval

### A. Proposal Summary

The Franchise Tax Board (FTB) is requesting \$96.5 million and 56 permanent, 102 temporary help and 7 limited term positions in FY 2012/13 to continue implementation of the Enterprise Data to Revenue (EDR) project. This request includes position authority for 45 permanent and 7 limited term positions from the FY 2011/12 EDR Spring Finance Letter. The 2011/12 Budget Act approved the funding but no position authority for these positions. As a result, only position authority is needed for these positions. The proposal also includes a placeholder for the project's FY 2013/14 needs which includes 176 positions (164.1 PYs) and \$150.9 million (\$133.3 million is the anticipated Prime Solution Provider (PSP) payment). Revenue generated from the EDR project is anticipated to be \$150.7 million in General Fund revenue for FY 2012/13, increasing to \$250.1 million for FY 2013/14. The EDR project is a five-year IT project that will modernize FTB's processes and systems (projected 7:1 CBR) and will generate \$4.7 billion in revenue for the State over the life of the project.

### B. Background/History

Annually, FTB processes more than 15 million PIT returns and one million BE returns, responds to more than eight million phone calls, handles over seven million internet contacts, and collects more than \$60 billion in tax revenues, representing nearly 67 percent of the State's general fund revenues.

FTB has performed extensive enterprise strategic planning including development of an enterprise Business Vision and Technology Target Architecture documented in the FTB Tax System Information Technology Strategic Plan (ITSP). Through this planning effort, FTB identified significant opportunities to make fundamental improvements to return processing and utilization of data that would improve operational efficiency and help narrow the tax gap. These opportunities form the basis of the EDR project.

The EDR project offers significant opportunities to improve FTB's operational efficiency landscape through an enterprise approach to data sharing and modernization of existing IT systems. This improved sharing of existing data will result in significant revenue streams. The solutions proposed by the EDR project implement improvements to FTB's enforcement and self-assessment capabilities and better positions the department to address the annual tax gap of over \$6.5 billion in taxes that are due to the State but currently unpaid or uncollected for various reasons. Additionally, EDR will enable FTB to implement new self-help tools for taxpayers and tax practitioners to ease burdens that may currently exist related to filing a return or paying taxes due.

In FY 2011/12, the EDR Project is authorized for \$39 million and 72 positions (we were not given position authority for the additional 52 positions requested in the Finance Letter) and revenue is projected to be \$65 million. This proposal requests resources to continue implementation of this project in FY 2012/13.

The table below shows the historical resource data for the project.

**Resource History**  
(Dollars in thousands)

<b>Program Budget</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
Authorized Expenditures	\$5,218	\$6,935	\$39,115
Actual Expenditures	\$3,795	\$4,835	n/a
Revenues	\$7,548	\$25,380	n/a
Authorized Positions	57	40	72
Filled Positions	57	40	42
Vacancies	0	0	30*

\*vacant positions due to hiring freeze and SROA requirements have slowed the process. We are currently submitting exemption requests to fill the positions.

**Workload History**

<b>Workload Measure</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
BES Backlog (Business Entities)			
BE Backlog, Non-Remit return processing and BE payment processing to reduce BES backlog			
Volume of Returns/Payments Processed	44,553	196,773	251,580 estimate
FE (Filing Enforcement)			
BE correspondence and answer calls. Staff is currently in training.			
Volume of Notices	N/A	N/A	6,000 estimate
TSCS (Taxpayer Services Center)			
Taxpayer assistance to resolve taxpayer issues that directly affect the taxpayer's ability to file and pay their tax liability.			
Volume of Calls	N/A	N/A	94,000 estimate
PIT CARES-Correspondence (Backlog)			
EDR correspondence – includes Financial Statements, faxes and paper correspondence.			
Volume of Notices	N/A	21,974	22,500 estimate
CAREs Reactive			
Answer phones due to additional EDR notices, cases and other impacts.			
Volume of Calls	N/A	N/A	61,280 estimate

### C. State Level Considerations

The EDR project will significantly improve the department's ability to address the State's annual \$6.5 billion tax gap through a strategically planned Tax Systems Modernization effort consistent with the FTB Tax Systems IT Strategic Plan, FTB IT Capital Plan, and enterprise vision incorporating State IT goals and objectives. The EDR project is a key step for aligning FTB's tax systems with the FTB Strategic Plan and FTB Enterprise Tax Business Vision. Approval of this request is critical to the success of the EDR project and sets the stage to achieve the corresponding State revenue objectives and IT goals at the lowest possible costs.

This proposal soundly supports FTB's mission to fairly and effectively administer the state's tax system. The FTB mission is "to collect the proper amount of tax revenue, and operate other programs entrusted to us at the least cost; serve the public by continually improving the quality of our products and services; and perform in a manner warranting the highest degree of public confidence in our integrity, efficiency, and fairness." This proposal also fully supports FTB's mission *Strategic Plan Goal #1 "Improve Customer Service", Goal #2 "Increase Fairness and Compliance with the Tax Law", and Goal #3 "Increase Transparency"*.

The added revenue coupled with the improvement to taxpayer compliance will provide many long-term benefits to the state. Associated benefits not only increase the General Fund, but also improve the public's perception and awareness in order to fully buy into and accurately participate in the taxation process for the benefit of all Californians.

### D. Justification

Over the last 25 years, FTB's IT investments focused on improving the effectiveness of our enforcement processes with the aim of bringing non-compliant taxpayers into compliance. These investments have generated measurably good results, including the filing of more tax returns and the collection of more past due taxes. While these investments were effective, the enforcement processes are the most costly way for FTB to conduct its business because they concern the recovery of noncompliance revenue. The aim of the EDR project is to improve the effectiveness of our filing processes and thereby maximize compliance, and thus revenues, much sooner in the filing process – when the returns are filed and taxes are due. The EDR project costs are funded by the revenue benefits generated from the EDR solution. Upon implementation, the EDR solution will allow for tax revenue performance improvement and taxpayer benefits. More specifically the EDR project will assist in narrowing the \$6.5 billion tax gap by:

- Replacing the current return filing processes to improve efficiency, image and capture more return data, and correct more returns earlier in the filing process.
- Providing additional tools to identify noncompliance patterns and prevent fraudulent activity.
- Providing data as an enterprise asset to all authorized users, including taxpayers.
- Improving the assignment of non-filer, audit, and collection cases based on highest CBR.
- Providing reusable services to make functionality available and reduce maintenance cost.
- Retiring redundant systems.

- Expanding customer self-services by implementing new self-help tools for taxpayers and tax practitioners to ease burdens that may currently exist related to filing a return or paying taxes due.

In June 2011, FTB awarded the contract to the PSP. FTB is using a solution based procurement model and a benefits based compensation model to acquire a best value, business driven and innovative solution. These models enable the state to acquire innovative solutions to strategic business problems that when solved result in increased tax revenues. Under these models, the contractor is compensated only when new tax revenues are generated from the EDR solution and after certain State costs have been recouped. Revenue benefits over and above state costs are shared with the contractor based on a fixed price contract. In this way, the project budget is funded from project benefits so that the State does not incur out-of-pocket expenses to compensate the contractor. This compensation model also reduces risk to the state from the project since payment is only due after tangible monetary benefits to the state are achieved.

The one-time IT project cost is \$398.9 million with projected revenue of \$4.7 billion over the life of the 66-month project (refer to Project 1730-191). Once the project is completed, the ongoing benefits from the EDR project are estimated at \$1 billion annually. As referenced in Appendix 1, annual revenue generated from the EDR project will continue to exceed the annual project cost over the life of the project.

The EDR solution will introduce a new Personal Income Tax (PIT) and Business Entity (BE) return processing system including expanded imaging, data capture and return validation with an enterprise data warehouse and common services. In order for the EDR project to be successful, the department requires the following:

- a. IT Positions Requested in FY 2012/13 and FY 2013/14
- b. Additional Compliance Positions Requested in FY 2012/13 and FY 2013/14
- c. Compensation payments to the PSP paid from benefits for implementation of early win deliverables in FY 2012/13 and FY 2013/14.

It is worth noting that FTB remains concerned regarding ongoing and future restrictions on resources during the EDR project development period, such as furloughs and hiring freezes, and the potential impacts those restrictions would have on the project - including project delays, reduced revenue collections, unnecessary cost increases, and potential breach of contract issues if we were unable to provide adequate project support.

### **a. IT Positions Requested in FY 2012/13 and FY 2013/14**

The positions requested in FY 2012/13 and 2013/14 are required to support the vendor activities associated with the EDR project - including a new Return Processing System, new Data Warehouse, creation of a Taxpayer Folder, new interfaces between EDR and existing legacy systems, and implementation of the EDR Early Wins (Early Wins are additional functionality provided by the PSP which produce revenue in the early months of the project).

This proposal requests position authority for 7 permanent and 7 limited term IT positions<sup>1</sup> from the FY 2011/12 EDR Spring Finance Letter. The 2011/12 Budget Act approved the funding but no

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<sup>1</sup> This request includes position authority for 45 permanent and 7 limited term positions from the FY 2011/12 EDR Spring Finance Letter. These 52 positions, includes 7 permanent and 7 limited term technology positions, 39 compliance positions, and we are eliminating one position in Administrative Services.

position authority for these positions. As a result, only position authority is needed for these positions. For 2013/14, the proposal requests two IT positions and overtime funding.

This position authority is required in FY 2012/13 since the EDR project requires IT resources with specific knowledge, skills, and abilities including systems, system functionality, programming languages and technical products to perform specific project and technical management roles. Specifically, additional IT resources are required for the following activities:

- Project management including: project integration management, scope management, cost management, risk management, time management, quality management, human resource management, and communication management to make sure all the project activities per the SPR are executed as planned.
- Contract management to make sure the PSP and State obligations per the PSP contract are met and the revenue is measured and tracked as agreed.
- Technical management including technical integration management, architecture management, testing management, operations management, knowledge management, and legacy systems management to make sure the Solution is developed and implemented consistent with the EDR Requirements and Enterprise Architecture and the State can maintain and operate the solution at completion of the project.
- Business management including business process management, organizational change management and business implementation management including user training to make sure the solution is used efficiently and effectively to produce the required benefits.

FTB has worked diligently with the California Technology Agency and the vendor to conservatively identify resource needs to ensure this project is a success. Positions identified here are critical to project success and exclude positions that FTB is able to redirect from existing workloads. Additional redirections are not possible, since this would negatively impact baseline operations, including baseline revenue, and therefore impact FTB's ability to meet the EDR contract obligations.

### **b. Additional Compliance Positions Requested in FY 2012/13 and FY 2013/14**

As it relates to compliance resources, the EDR solution includes expanded data capture, modeling, and matching innovations to collect the taxes that are due to the state but currently unpaid or uncollected for various reasons. Additional compliance positions are needed in FY 2012/13 and 2013/14 to handle the increase in account adjustments, collection opportunities, filing enforcement notices and taxpayer contacts. The total number of State compliance resources requested is now less than the total projected in the FSR, but the business areas and timing of these resources has changed (compared to the FSR), requiring some of the resources to be moved up earlier in the project. These changes are consistent with the approved project SPR (#1730-191).

This proposal requests position authority for 39 permanent compliance positions<sup>2</sup> from the FY 2011/12 EDR Spring Finance Letter. The 2011/12 Budget Act approved the funding but no position authority for these positions. As a result, only position authority is needed for these positions. For 2013/14, the proposal requests 164 new compliance positions.

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<sup>2</sup> This request includes position authority for 45 permanent and 7 limited term positions from the FY 2011/12 EDR Spring Finance Letter. These 52 positions, includes 7 permanent and 7 limited term technology positions, 39 compliance positions, and we are eliminating one position in Administrative Services.



Failure to have these key compliance positions in place will result in the department not meeting their contractual obligations associated with the EDR project and risk the FY 2012/13 and subsequent fiscal years' revenue associated with EDR initiatives. Any modification to the resources requested herein would need to be reevaluated by FTB and the PSP to determine the impacts to project scope, schedule, and/or revenue of the EDR project.

**c. Compensation Payments to the PSP in FY 2012/13 and FY 2013/14**

The EDR project is using a benefits based compensation model. This means that payments to the PSP are based on the benefits (revenue) generated from the EDR solution that the State receives. If the State does not receive increased revenue, then the contractor does not receive payment. This approach shifts much of the financial risk to the contractor. The estimated PSP payment for FY 2012/13 \$91.1 million and FY 2013/14 is \$133.3 million.

**E. Outcomes and Accountability**

An FTB Special Project Report (SPR) #1730-191 that updates the Feasibility Study Report (FSR) 08-05 (Project number 1730-191), supports this request, and provides the detail about the project scope, requirements and solution. A cross-section of state staff participated in the SPR and FSR analysis and requirements- including the EDR Project Director, Business Project Director, and dedicated Project Management staff, working with the Department's Project Oversight Guidance (POG) Section, as well as representatives from DGS continue to oversee project activities, including all procurement activities, to ensure all applicable policies, rules, guidelines and procedures are followed. In addition, a Project Management Support Consultant has been engaged to ensure that project management activities- including schedule management, earned value analysis, and risk management- are executed consistent with industry best practices and standards. Further, the California Technology Agency has been engaged to provide impartial oversight of the project to ensure the State is effectively managing its technology investments. The EDR Project Manager will work with POG to monitor project progress and perform communication management, including status reporting consistent with stakeholder and overseer needs. The SPR is the responsibility of the department's Chief Information Officer or delegate. The fiscal oversight of the project is the responsibility of both the State Technology Agency and the Chief Financial Officer (CFO).

As shown in the table below, revenue generated from this proposal is anticipated to be \$150.7 million in FY 2012/13 and \$250.1 million in FY 2013/14.

**Projected Outcomes**

<b>Workload Measure – Revenue</b>	<b>2012-13</b>	<b>2013-14</b>
Processing Backlog Revenue	26,271	1,331
EDR Project Revenue	124,468	248,812
<b>Total</b>	<b>150,739</b>	<b>250,143</b>

**F. Analysis of All Feasible Alternatives**

**Alternative 1 - Approve \$96.5 million and 56 permanent, 102 temporary help and 7 limited term positions in FY 2012/13 and placeholder funding request of 176 positions (164.1 PYs) and \$150.9 million in FY 2013/14 (\$133.3 million is the anticipated PSP payment).**

This multi-year project addresses fundamental problems involved with processing PIT and BE tax returns and the underutilization of data with an emphasis on cost savings and generating revenues. The positions requested in FY 2012/13 are required to support the vendor activities associated with the EDR project, including a new Return Processing System, new Data Warehouse, creation of a taxpayer folder, new interfaces between EDR and existing legacy systems, and implementation of the EDR Early Wins. The 2011/12 Budget Act approved the funding no position authority for 52 of these positions from the FY 2011/12 Spring Finance Letter. Only position authority is requested for these positions.

**Alternative 2 – Approve \$96.5 million and 56 permanent, 102 temporary help and 7 limited term positions in FY 2012/13 and do not approve the placeholder funding request of 176 positions (164.1 PYs) and \$150.9 million in FY 2013/14 (\$133.3 million is anticipated PSP payment).**

Approval of the FY 2012/13 positions are required to support the budget year vendor activities associated with the EDR project, including implementation of certain EDR Early Wins. The 2011/12 Budget Act approved the funding but no position authority for these positions from the FY 2011/12 Spring Finance Letter.

Without approval of the FY 2013/14 placeholder funding and position authority, FTB will have to bring another budget change proposal forward next year in order to meet contractual obligations associated with the EDR project. Further, rejection of FY 2013/14 resources could jeopardize the schedule of state and vendor activities associated with the project, especially planning activities, since it would create uncertainty regarding the project's future funding.

**Alternative 3 – Approve funding request of \$96.5 million and do not approve the position authority.**

Due to the substantial redirection already accomplished for the EDR project, we are not able to redirect additional positions without significantly impacting our baseline revenue and supporting operations. FTB has also already permanently redirected over 30 staff members to the EDR project. Additionally, we have temporarily redirected 52 positions related to the FY 2011/12 Spring Finance Letter. The 2011/12 Budget Act approved the funding but no position authority for these positions. Additionally, within the SFL process, FTB was notified that it would be necessary that we absorb the workload of 3 additional positions that were removed from our required positions stated in the SPR.

All of these resources are permanent needs and no solution has been readily identified as to how FTB is made whole in the future to accommodate the permanency of the new workloads being created by the EDR project. Under the terms of the PSP contract FTB is required to maintain its existing activities and to support and maintain the EDR solution. If FTB is not permitted to add the personnel required to support the EDR Solution then it substantially increases the risk to the project by weakening the framework necessary to support EDR. If



FTB reallocates personnel from their current job duties to support the EDR project, then FTB's current activities will be negatively impacted and this will have a negative impact on the revenue baseline.

### **Alternative 4 – Do not approve the request.**

Without appropriate funding and position authority in place by FY 2012/13, FTB will not be able to meet contractual obligations associated with the EDR project. Any modification to the resources requested herein would need to be reevaluated by FTB and the PSP to determine the impacts to project scope, schedule, or revenue of the EDR project.

## **G. Implementation Plan**

- First project benefits and corresponding PSP payment is estimated to occur around January 2012.
- June 2012 – 607 documents to establish 56 permanent, 102 temp help and extend 7 limited-term positions for two years are prepared and approved by the FTB Budget Officer and forwarded to the Department of Finance.
- June 2012 – DOF notifies FTB of position approval.
- July 1, 2012 – Positions are established and FTB begins hiring.

## **H. Supplemental Information**

☐ None    ☐ Facility/Capital Costs    ☐ Equipment    ☒ Contracts    ☐ Other \_\_\_\_\_

Consultant and Professional Services – External Contract

- Prime Solution Provider payment is \$91,111,000 in FY 2012/13 and \$133,260,000 in FY 2013/14.

## **I. Recommendation**

Alternative 1 is recommended. This alternative provides the most efficient and effective solution to meet the requirements and planning for the return processing reengineering effort. The alternative is the most desirable alternative to minimize costs and risks and maximize revenue and benefits of the EDR project.

Failure to have this funding and key positions in place will result in the department not meeting their contractual obligations associated with the EDR project and risk \$150.7 million in FY 2012/13 revenue and hundreds of millions of dollars in revenue anticipated in subsequent fiscal years associated with the EDR initiatives.

**Fiscal Summary**  
(Dollars in thousands)

BCP No. 1	DATE	Proposal Title:	PROGRAM
	August 26, 2011	Enterprise Data to Revenue Project	Tax Programs
	Positions		FY 2011/12
	CY	BY	BY + 1
<b>Total Salaries &amp; Wages 1/</b>	.0	165.0	328.0
Salary Savings	.0	-4.2	-16.3
<b>Net Total Salaries and Wages</b>	.0	160.8	311.7
<b>Total Staff Benefits 2/</b>			
Salary Savings			
<b>Net Total Staff Benefits</b>			
<b>Total Personal Services</b>			
<b>Operating Expenses and Equipment</b>			
General Expense /3			
Printing /4			
Communications /5			
Postage /6			
Travel-In-State /7			
Travel Out-of-State			
Training /8			
Facilities Operations			
Utilities			
Consulting & Professional Services - Interdepartmental			
Consulting & Professional Services - External /9			
Data Center Services			
Information Technology /10			
Equipment			
Other/Special Items of Expense			
<b>Total Operating Expenses &amp; Equipment</b>			
<b>Total State Operations Expenditures</b>			
<u>Fund Source</u>	<u>Item Number</u>		
	Org	- Ref - Fund	
General Fund	1730	001 0001	
<b>Totals</b>			
<b>Total Local Assistance Expenditures</b>			
<u>Fund Source</u>	<u>Item Number</u>		
	Org	- Ref - Fund	
<b>Totals</b>			
<b>Grand Total, State Operations and Local Assistance</b>			

- 1/ Itemized positions by classification on the Personal Services Detail worksheet.
- 2/ Benefit detail on the Personal Services Detail worksheet.
- 3/ General Expense @ \$825 per position. Plus minor equipment @ \$1109 per new position.
- 4/ Printing at \$37 per position plus additional printing needs.
- 5/ Communications @ \$698 per position plus MegaCom.
- 6/ Postage costs for additional mailings.
- 7/ In-State Travel - to training events.
- 8/ Training - required for IT staff.
- 9/ Consulting & Professional Services for Prime Solution Provider payment.
- 10/ Information Technology includes desktops and notebooks plus additional software, hardware, etc.

**PERSONAL SERVICES DETAIL**  
(Whole dollars)

BCP No. 1	DATE	Proposal Title:	PROGRAM						
	August 26, 2011	Enterprise Data to Revenue Project	Tax Programs						
Salaries and Wages Detail									
Classification		Positions			Salary Range		CY	Dollars	
		CY	BY	BY + 1				BY	BY + 1
		2011/12	2012/13	2013/14					
Administrative Services Division									
Bus Services Officer I Spec	PERM	0.0	0.0	1.0	\$ 3,658	\$ 4,446	\$ 0	\$ 0	\$ 49,000
Materials & Stores Spec	PERM	0.0	0.0	1.0	\$ 2,877	\$ 3,420	\$ 0	\$ 0	\$ 38,000
Personnel Specialist - Rg B	PERM	0.0	0.0	1.0	\$ 2,993	\$ 3,640	\$ 0	\$ 0	\$ 40,000
Labor Relations Specialist	PERM	0.0	0.0	1.0	\$ 5,079	\$ 6,127	\$ 0	\$ 0	\$ 67,000
Assoc Personnel Analyst	PERM	0.0	0.0	1.0	\$ 4,400	\$ 5,348	\$ 0	\$ 0	\$ 58,000
Personnel Specialist - Rg B	PERM	0.0	2.0	2.0	\$ 2,993	\$ 3,640	\$ 0	\$ 80,000	\$ 80,000
Materials & Stores Spec	PERM	0.0	1.0	1.0	\$ 2,877	\$ 3,420	\$ 0	\$ 38,000	\$ 38,000
Materials & Stores Spec	PERM	0.0	-1.0	-1.0	\$ 2,877	\$ 3,420	\$ 0	\$ 0	\$ 0
Mailing Machines Operator I	PERM	0.0	-1.0	-1.0	\$ 2,280	\$ 2,770	\$ 0	\$ 0	\$ 0
Assoc Sys Sftwre Spec Tech	PERM	0.0	1.0	1.0	\$ 4,611	\$ 5,882	\$ 0	\$ 0	\$ 0
Mailing Machines Operator I	PERM	0.0	0.0	2.0	\$ 2,280	\$ 2,770	\$ 0	\$ 0	\$ 61,000
Assoc Sys Sftwre Spec Tech	PERM	0.0	0.0	1.0	\$ 4,611	\$ 5,882	\$ 0	\$ 0	\$ 63,000
Total Administrative Services Division		.0	2.0	10.0			\$ 0	\$ 118,000	\$ 494,000
Adjust for Part Year Positions		.0	.0	.0					
Net Positions/ PYs before salary savings		.0	2.0	10.0					
Finance & Executive Services Division									
Acctg Officer Spec	PERM	0.0	0.0	1.0	\$ 3,841	\$ 4,670	\$ 0	\$ 0	\$ 51,000
Research Analyst I (SOC/BEH) - Rg B	PERM	0.0	0.0	1.0	\$ 3,204	\$ 3,708	\$ 0	\$ 0	\$ 41,000
Acctg Officer Spec	PERM	0.0	2.0	2.0	\$ 3,841	\$ 4,670	\$ 0	\$ 102,000	\$ 102,000
Total Finance & Executive Services Division		.0	2.0	4.0			\$ 0	\$ 102,000	\$ 194,000
Adjust for Part Year Positions		.0	.0	.0					
Net Positions/ PYs before salary savings		.0	2.0	4.0					
Accounts Receivable Management Division									
Tax Technician, Ftb - Rg B	PERM	0.0	0.0	47.0	\$ 2,817	\$ 3,426	\$ 0	\$ 0	\$ 1,760,000
Sr Compliance Rep.,Ftb	PERM	0.0	0.0	41.0	\$ 4,619	\$ 5,616	\$ 0	\$ 0	\$ 2,518,000
Administrator I	PERM	0.0	0.0	8.0	\$ 5,076	\$ 6,476	\$ 0	\$ 0	\$ 554,000
Compliance Rep, Ftb - Rg B	PERM	0.0	0.0	33.0	\$ 3,204	\$ 3,708	\$ 0	\$ 0	\$ 1,369,000
Tax Program Tech I, Ftb	PERM	0.0	0.0	6.0	\$ 2,638	\$ 3,209	\$ 0	\$ 0	\$ 210,000
Tax Program Tech II,Ftb	PERM	0.0	0.0	1.0	\$ 2,951	\$ 3,588	\$ 0	\$ 0	\$ 39,000
Principal Compliance Rep	PERM	0.0	0.0	2.0	\$ 4,833	\$ 5,874	\$ 0	\$ 0	\$ 128,000
Tax Technician, Ftb - Rg B	PERM	0.0	4.0	4.0	\$ 2,817	\$ 3,426	\$ 0	\$ 37,000	\$ 37,000
Sr Compliance Rep.,Ftb	PERM	0.0	5.0	5.0	\$ 4,619	\$ 5,616	\$ 0	\$ 61,000	\$ 61,000
Administrator I	PERM	0.0	1.0	1.0	\$ 5,076	\$ 6,476	\$ 0	\$ 0	\$ 0
Compliance Rep, Ftb - Rg B	PERM	0.0	4.0	4.0	\$ 3,204	\$ 3,708	\$ 0	\$ 0	\$ 0
Tax Program Tech I, Ftb	PERM	0.0	2.0	2.0	\$ 2,638	\$ 3,209	\$ 0	\$ 0	\$ 0
Tax Program Tech II,Ftb	PERM	0.0	1.0	1.0	\$ 2,951	\$ 3,588	\$ 0	\$ 0	\$ 0
Total Accounts Receivable Management Division		.0	17.0	155.0			\$ 0	\$ 98,000	\$ 6,676,000
Adjust for Part Year Positions		.0	.0	.0					
Net Positions/ PYs before salary savings		.0	17.0	155.0					
Filing Division									
Tax Program Tech I, Ftb	PERM	0.0	0.0	22.0	\$ 2,638	\$ 3,209	\$ 0	\$ 0	\$ 772,000
Tax Program Tech II,Ftb	PERM	0.0	0.0	3.0	\$ 2,951	\$ 3,588	\$ 0	\$ 0	\$ 118,000
Tax Program Supervisor	PERM	0.0	0.0	1.0	\$ 3,101	\$ 3,771	\$ 0	\$ 0	\$ 41,000
Staff Operations Specialist/Ftb	PERM	0.0	2.0	2.0	\$ 4,833	\$ 5,874	\$ 0	\$ 128,000	\$ 128,000
Customer Service Specialist - Rg B	PERM	0.0	4.0	4.0	\$ 3,050	\$ 3,708	\$ 0	\$ 0	\$ 0
Customer Service Sup	PERM	0.0	1.0	1.0	\$ 4,622	\$ 5,576	\$ 0	\$ 0	\$ 0
Tax Technician, Ftb - Rg B	PERM	0.0	14.0	14.0	\$ 2,817	\$ 3,426	\$ 0	\$ 0	\$ 0
Sr Compliance Rep.,Ftb	PERM	0.0	6.0	6.0	\$ 4,619	\$ 5,616	\$ 0	\$ 123,000	\$ 123,000
Administrator II	PERM	0.0	1.0	1.0	\$ 5,573	\$ 7,113	\$ 0	\$ 0	\$ 0
Key Data Operator - Rg B	TEMP	0.0	102.0	89.0	\$ 2,450	\$ 2,975	\$ 0	\$ 3,320,000	\$ 2,897,000
Total Filing Division		.0	130.0	143.0			\$ 0	\$ 3,571,000	\$ 4,079,000
Adjust for Part Year Positions		.0	.0	.0					
Net Positions/ PYs before salary savings		.0	130.0	143.0					
Technology Services Division									
Staff Prog Analyst Spec	PERM	0.0	0.0	2.0	\$ 5,065	\$ 6,466	\$ 0	\$ 0	\$ 138,000
Assoc Info Systems Analyst	PERM	0.0	-2.0	-2.0	\$ 4,619	\$ 5,897	\$ 0	\$ 0	\$ 0
Sys Software Spec I Tech	PERM	0.0	-33.0	-33.0	\$ 5,064	\$ 6,465	\$ 0	\$ 0	\$ 0
Sys Software Spec II Tech	PERM	0.0	47.0	47.0	\$ 5,561	\$ 7,097	\$ 0	\$ 0	\$ 0
Sys Software Spec III Tech	PERM	0.0	-5.0	-5.0	\$ 6,110	\$ 7,796	\$ 0	\$ 0	\$ 0
Sys Software Spec I Tech	OT				\$ 5,064	\$ 6,465	\$ 0	\$ 0	\$ 614,000
Sr Info Systems Analyst Spec	LT EXP 6/30/14	0.0	1.0	1.0	\$ 5,571	\$ 7,109	\$ 0	\$ 0	\$ 0
Staff Operations Specialist/Ftb	LT EXP 6/30/14	0.0	5.0	5.0	\$ 4,833	\$ 5,874	\$ 0	\$ 0	\$ 0
Staff Serv Analyst Gen - Rg B	LT EXP 6/30/14	0.0	1.0	1.0	\$ 3,050	\$ 3,708	\$ 0	\$ 0	\$ 0
Total Technology Services Division		.0	14.0	16.0			\$ 0	\$ 0	\$ 752,000
Adjust for Part Year Positions		.0	.0	.0					
Net Positions/ PYs before salary savings		.0	14.0	16.0					
Total Salaries and Wages	Positions	.0	165.0	328.0			\$ 0	\$ 3,889,000	\$ 12,195,000
	Part Yr Adj	.0	.0	.0					
	P.Y.s	.0	165.0	328.0					

## PERSONAL SERVICES DETAIL

<b>BCP No. 1</b>	<b>DATE</b> <b>August 26, 2011</b>	<b>Proposal Title:</b> <b>Enterprise Data to Revenue Project</b>	<b>PROGRAM</b> <b>Tax Programs</b>
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### Staff Benefits Detail

	2011/12	2012/13	2013/14
OASDI /11	\$ 0	\$ 291,000	\$ 762,000
Health/Dental/Vision Insurance / 12	0	122,000	1,807,000
Retirement - Miscellaneous / 13	0	111,000	1,521,000
Worker's Compensation / 14	0	30,000	95,000
Industrial Disability Leave / 15	0	2,000	2,000
Non Industrial Disability Leave / 16	0	2,000	5,000
Unemployment Insurance / 17	0	372,000	379,000
Medicare / 18	0	77,000	189,000
<b>Total Staff Benefits</b>	<b>\$ 0</b>	<b>\$ 1,007,000</b>	<b>\$ 4,760,000</b>

11/ For permanent and overtime, 6.2% of net salary.

12/ Health - For permanent, \$9,048 per net personnel year; Dental - For permanent, \$561 per net personnel year.

Vision - For permanent, \$104 per net personnel year.

13/ For permanent, 17.528% of net salary.

14/ 0.7% of net salary for permanent.

15/ 0.02% of net salary for permanent.

16/ 0.05% of net salary for permanent.

17/ 12.95% of net salary for temporary help.

18/ 1.45% of net salary for permanent.

## Supplemental Information

(Dollars in thousands)

BCP No. 1	Proposal Title
	Enterprise Data to Revenue Project

Equipment	CY	BY	BY +1
Standard Complement			
<b>Total</b>	\$0	\$0	\$0

### Consulting & Professional Services

Prime Solution Provider			133,260
<b>Total</b>	\$0	\$0	\$133,260

### Facility/Capital Costs

<b>Total</b>	\$0	\$0	\$0

### One-Time/Limited-Term Costs

Yes ☒

No ☐

Description	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
Limited-Term	7.0	597	7.0	589		
	7.0	\$597	7.0	\$589	0.0	\$0

### Full-Year Cost Adjustment

Yes ☐

No ☒

Provide the incremental change in dollars and positions by fiscal year.

Item Number	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
<b>Total</b>	0.0	\$0	0.0	\$0	0.0	\$0

### Future Savings

Yes ☒

No ☐

Specify fiscal year and estimated savings, including any decrease in positions.

Item Number	BY		BY +1		BY +2	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
Temp Help	102.0	4,189	89.0	3,654		
<b>Total</b>	102.0	\$4,189	89.0	\$3,654	0.0	\$0